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ENERGY & WATER DIVISION

March 21, 2003

Mr. David McClanahan  
Energy & Water Division  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, Tennessee 37243-0505

Re: Tariff to Send Estimated Bills to Customers, Docket Number 03-00189

Dear Mr. McClanahan,

Atmos Energy Corporation (Atmos) is providing responses to Staff's 2<sup>nd</sup> Data Request in the above referenced Docket.

Per our discussion the other day I would like to respond to your inquiry as to whether the Company upon approval of our request would eliminate present meter reading positions thus reducing direct expenses. We would like to reassure you that this process would be implemented to allow our current meter reading staff to assist in improving our responsiveness to customer inquiries while maintaining and improving our level of customer service. Areas of focus will be service related work, such as, new customer meter sets, customer requested turn-ons and turn-offs, customer leak inquiries, etc. Employees will also be utilized for construction and maintenance activities. This activity may include establishment of new service lines, assisting in leak repair and compliance activities. Our focus is not to eliminate staff but to meet or exceed our customers' expectations while improving in the utilization of our existing employees. These meter readers will be cross trained in other areas to assist the resource requirements within the town. For example, they can work as service technicians and in most cases are presently qualified to do so. They will also be trained to work on construction crews to extend mains and service lines. These employees will need to be trained and operator qualified to perform these activities. This training and qualification will be conducted in-house and can be accomplished within a relatively short time frame, i.e., within one year. The benefit is that we will not only be able to reduce dependence on contractors but also provide the employees with the opportunity for advancement. During the interim training process, these meter readers will continue to light pilots, disconnect and reconnect gas service and perform administrative duties such as collections, etc.

Again, I would like to emphasize that our proposal will not reduce Operation and Maintenance costs, i.e. labor and benefits. As stated in the Company's petition seeking approval of estimated billing, the Company will be able to utilize its resources more efficiently during peak periods by peak shaving its workload. Less reliance on contractors will also reduce capital expenditures.

If you have any further questions, please do not hesitate to contact me at 615-771-8332.

Very truly yours,

A handwritten signature in cursive script that reads "Pat Childers".

Patricia J. Childers  
VP – Rates & Regulatory Affairs

Cc: Joe Conner  
Jean Curran, Consumer Services  
Jon Wike, Counsel  
Office of Attorney General, Consumer Services Division

**Atmos Response to Staff's 2<sup>nd</sup> Data Request in Docket No. 03-00189**

1. Please tell us the maximum number of times a specific customer would receive an estimated bill during the year.

The maximum number of estimated bills a customer could receive would be six.

2. Explain your procedure to verify that this number will not be exceeded or that no customer will receive an estimated bill for two consecutive months.

We will alternate billing cycles, estimating only even numbered cycles during even numbered months, i.e., cycle 2, 4, 6, etc. during alternating months.

3. Will all classes of customers, except chart customers, be included in this new procedure?

All classes with the exception of industrial, interruptible and transportation customers will be included in this new procedure.

4. If a customer requests you to read their meter every month will you comply with this request?

Yes.

5. Please explain how you will educate your customers on how this procedure will work, such as, by using bill inserts to explain to customers that they will receive estimated bills during the year, listing a telephone number to call if the customer has a perceived billing error and requests an actual meter read, providing quick service in reading that customer's meter, stating that they will not receive two consecutive months of estimated bills, and that the bill will say estimated if the meter has not been actually read.

The company will prepare a bill insert addressing the above mentioned items.

6. Do you intend to provide the TRA a copy of the insert before implementation?

The Company will provide the TRA with a copy of the bill insert before implementation if desired.

7. Is the call center prepared to answer your customer questions and to respond to requests from customers for actual reads?

Yes. Our call center personnel are trained to discuss this with customers. Requesting a reread (actual read) is a common practice and will not present any

problems.

8. Has Atmos Energy Corporation adopted this practice already in other states and if so how has this change in procedure worked?

Atmos Energy has implemented estimated meter readings in Virginia, Illinois and Kentucky with success.